

**NATIONAL DAIRY MARKET AT A GLANCE****CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (12/28):**

**BUTTER:** Grade AA closed at \$1.3400. The weekly average for Grade AA is \$1.3400 (+.0258).

**CHEESE:** Barrels closed at \$1.2550 and blocks at \$1.2600. The weekly average for barrels is \$1.2600 (-.0080) and blocks, \$1.2717 (+.0027).

**NONFAT DRY MILK:** Extra Grade closed at \$0.9900 and Grade A closed at \$1.0000. The weekly average for Extra Grade is \$0.9900 (N.C.) and Grade A, \$1.0000 (N.C.).

**HOLIDAY TRADING SCHEDULE FOR SPOT CALL BUTTER, CHEESE AND NDM (CME):** The dairy spot call markets will be closed December 31 & January 1 and resume January 2nd.

**BUTTER:** Butter markets are weak. Churning activity across the country is active as cream supplies are readily available to butter plants. Cream handlers indicate that it is a buyers' market and multiples are quite low, often based off of the butter price, date of delivery. Butter makers feel that this is an indication that the CME cash price will continue to move lower. Stocks of butter are heavier than last year at this time and are fully adequate for light buyer interest. Quota imports of butter through November stand at 14.6 million pounds, down 2.8% from the same eleven months in 2000. High tier imports total 25.9 million pounds, substantially higher than the 158,000 pounds during the equivalent 11 months last year. Buying interest this week was slow. Most orders being placed were for short term or fill-in needs.

**CHEESE:** The cheese market is weak. Most packagers and processors were closed for an extra day or two for the holiday observance and will close again next week for New Year's Day. This reduces the volume of bulk cheese needed. Plant inventories are increasing. Few buyers are interested in making spot purchases or building inventory before January due to calendar yearend inventory management. Cheese production is seasonally active as extra milk is available from the holiday reduced bottling segment. Cheese yields remain good seasonally.

**FLUID MILK:** Milk production is mostly steady throughout the country. Some small increases were noted in Florida and other Gulf Coast states. Fluid milk supplies are heavy in all regions. The holiday surplus milk volumes were, in instances, reported as the heaviest in the past several years. At midweek, some Eastern plant contacts reported having "a yard full of milk trucks" waiting to unload. Bottling schedules were heavy up through Friday, December 21, but dropped off dramatically after that. Bottlers expect to be back to normal schedules this coming weekend as they refill school lunch pipelines. There were few mechanical problems reported this year and the surplus milk volumes cleared satisfactorily. Some Western operations did close all but receiving operations on Christmas Day. This caused plants to be "fuller" than they would have otherwise been. The fluid cream market is weak. Spot prices are steady to higher, but only because the previous week's average of the CME butter price

increased. Increasing prices are atypical for a Christmas week. Supplies are excessive and clearances to churns are heavy in most regions. Butter makers are often buying cream based on the CME price, date of delivery. Contacts feel that Class II spot demand for cream may improve early in January when ice cream plants that were down for the holidays get back on line.

**DRY PRODUCTS:** The NDM market is weak and unsettled. Most of the weakness is based on industry rumor/speculation that USDA will adjust the "tilt" between butter and NDM support purchase prices before the end of the year. Spot buyers do not want to take on powder now if there is a chance that prices will be lower in the near future. Most are staying as current as possible. Contracts for 2002 more often have a clause concerning just such a possibility. Production levels are up significantly as holiday surplus milk volumes are as heavy as they have been for several years. Clearances to CCC are heavy as producers are also clearing their inventory before a possible tilt change. The dry buttermilk market is also showing signs of weakness. Producers report meeting increased buyer resistance to prices at the upper end of the ranges. Production levels are up as churning activity is very heavy in most parts of the country. However, because of all the skim to dry, there is little dryer time available for buttermilk. The dry whey market is basically steady, but some lower prices are being reported in the West as suppliers try to compete in the export market. In the Central and Eastern markets, prices are steady and supplies tight to closely balanced with needs. Demand is fair and there is more interest for spot loads to be delivered early in January. The WPC market is weak and prices are lower as some producers try to clear some of their inventories before the end of the year. Demand is mixed, slow on feed; steady on the human food market. The lactose market is steady at firm levels and price are unchanged.

**CCC:** During the week of December 24 - 28, adjusted purchases totaled 11,280,122 pounds of Western NDM under the price support program.

**USDA ANNOUNCES 2002 SUPPORT PRICES FOR MILK AND MILK PRODUCTS (FSA):** The U.S. Department of Agriculture announced December 28 that the purchase prices for butter, nonfat dry milk, and cheese under the Milk Price Support Program will remain unchanged for now, but will be reconsidered as the 2002 calendar year begins. The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002, extends the program through May 31, 2002, at the 2001 milk support price of \$9.90 per hundredweight (3.67% milkfat).

**NOVEMBER COLD STORAGE (NASS):** November U.S. cold storage holdings of butter total 53.6 million pounds, 44.0% lower than a month ago, but 96.6% higher than last November. Natural American cheese holdings total 439.2 million pounds, 5.2% lower than a month ago and 15.9% less than a year ago. Nonfat dry milk holdings at the end of October total 886 million pounds, 0.1% less than last month but 44.3% more than last October.

**\*\*\*SPECIALS THIS ISSUE\*\*\***

NOVEMBER COLD STORAGE HOLDINGS (PAGES 7 - 8)  
JANUARY FEDERAL MILK ORDER ADVANCE PRICES (PAGE 9)

**CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY DECEMBER 24	TUESDAY DECEMBER 25	WEDNESDAY DECEMBER 26	THURSDAY DECEMBER 27	FRIDAY DECEMBER 28	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	H O L	H O L	\$1.2700 (N.C.)	\$1.2550 (-.0150)	\$1.2550 (N.C.)	(-.0150)	\$1.2600 (-.0080)
40# BLOCKS	I	I	\$1.3000 (N.C.)	\$1.2550 (-.0450)	\$1.2600 (+.0050)	(-.0400)	\$1.2717 (+.0027)
BUTTER GRADE AA	D A Y	D A Y	\$1.3400 (-.0200)	-----	\$1.3400 (N.C.)	(-.0200)	\$1.3400 (+.0258)

\*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at [WWW.AMS.USDA.GOV/MARKETNEWS.HTM](http://WWW.AMS.USDA.GOV/MARKETNEWS.HTM) (NOTE: The NDM daily/weekly prices are reported here when changes occur. The Extra Grade price is \$.9900 and Grade A price is \$1.0000. NDM information remains available at the above internet address.)

**CHICAGO MERCANTILE EXCHANGE**

MONDAY, DECEMBER 24, 2001

NO TRADING - HOLIDAY

TUESDAY, DECEMBER 25, 2001

NO TRADING - HOLIDAY

WEDNESDAY, DECEMBER 26, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER — SALES: 5 CARS: 1 @ \$1.3500, 1 @ \$1.3525, 1 @ \$1.3500, 1 @ \$1.3475, 1 @ \$1.3400; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS: 1 @ \$1.3450, 1 @ \$1.3575, 3 @ \$1.3600

THURSDAY, DECEMBER 27, 2001

CHEESE — SALES: 8 CARS 40# BLOCKS: 1 @ \$1.2900, 1 @ \$1.2800, 1 @ \$1.2900, 1 @ \$1.2800, 1 @ \$1.2900, 1 @ \$1.2700, 1 @ \$1.2725, 1 @ \$1.2700; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS BARRELS: 1 @ \$1.2550, 1 @ \$1.2600; 2 CARS 40# BLOCKS: 1 @ \$1.2550, 1 @ \$1.2600

FRIDAY, DECEMBER 28, 2001

CHEESE — SALES: 18 CARS 40# BLOCKS: 1 @ \$1.2550, 1 @ \$1.2650, 1 @ \$1.2675, 1 @ \$1.2650, 1 @ \$1.2675, 1 @ \$1.2725, 1 @ \$1.2700, 1 @ \$1.2650, 1 @ \$1.2550, 2 @ \$1.2725, 2 @ \$1.2525, 4 @ \$1.2700, 1 @ \$1.2600; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER — SALES: 10 CARS: 8 @ \$1.3375, 2 @ \$1.3400; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

**BUTTER MARKETS****NOVEMBER COLD STORAGE**

According to NASS, November month-ending cold storage figures for butter total 53.6 million pounds, nearly twice the amount held last November, but 44.0% lighter than October holdings.

**NORTHEAST**

The market tone is unsettled. Typically, prices fall just prior to the holiday season after orders are filled and cream supplies become excessive. However, this year, the butter price at the CME has moved higher and has many contacts scratching their heads. In the five trading sessions since December 12, the price of butter at the CME has increased twelve cents. Churning activity in the East is heavy as excess cream volumes are heavy. Not only are local churns very active, but more cream is moving to Midwestern butter makers. It is a buyers' market and multiples are quite low, often based the butter price, date of delivery. This is an indication that butter makers feel that the CME price will move lower in the near future. Bulk and packaged butter stocks are reportedly more than sufficient to cover current needs. Demand is slow to fair as most holiday needs have been delivered. Distributors are quite busy at this time of year when the holidays disrupt normal delivery schedules. Sales of bulk butter, f.o.b. East, are reported in a range of 3.5 – 8.0 cents over the CME price/average.

**CENTRAL**

Butter markets are unsettled as the firm trend at the CME cash market eased slightly at midweek. Many producers and handlers were unclear as to where the market was headed over the past six trading sessions, but now feel that a weak tone will continue into the new year. Churning activity over the weekend and into Christmas week was quite heavy. Offerings of cream were readily available from

local and out of area sources. Stocks of butter are reported to be fully available for slow buyer interest. At midweek, producers and handlers indicated that orders were quite light, but anticipated that some fill-in orders would probably occur before the weekend. At this point, producers and handlers state that butter sales during the final quarter ended up better than they previously projected. Lower retail prices and scattered feature activity across the Midwest cleared good volumes of print butter. Food service orders were fairly strong since Thanksgiving and are anticipated to remain active through New Years. When available, bulk butter for spot sale is selling in a price range of 1 - 3 cents per pound over various pricing basis.

**WEST**

Churning activity is generally rated as heavy this week as more surplus cream becomes available. A number of plants are running full, but capacity seems to be sufficient to handle offerings in an efficient manner. Sales for the last few weeks have been good. This holiday week, orders are much slower which is normal. The draw down in butter stocks for November were the most ever for one month, about 42 million pounds. However, the stocks to start December were almost double what they were one year ago. Butter market participants are also looking very closely at the possibility of a butter/powder price tilt. A possible scenario might be for the butter price to move into the \$1.04-1.05 range. If this is the case, some contacts wonder if the support program will come into play during the first quarter. CME weekly butter stocks increased last week. This is unusual from a timing point of view. During most years, the shift back to stock building does not occur until January. The current stock level of 19.1 million pounds is about double the normal of the past few years. Current prices for bulk butter range from 3 1/2 cents under to flat market based on the CME with various time frames and averages involved.

**NASS DAIRY PRODUCT PRICES**  
U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 38% MOISTURE			
DECEMBER 22	1.2740 4,627,152	1.2513 8,670,212	0.9145 21,411,879	1.2941 2,388,638	0.2918 7,144,309

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

## CHEESE MARKETS

## NORTHEAST

Prices are generally higher following the price increases recorded at the CME last week. Cheese production is steady to higher as most Eastern cheese makers are being offered a lot of milk. Most are trying to maintain current output levels. Demand for cheese was slower as most holiday orders have been delivered. Some wholesale distributors were open on Christmas Eve and all were "back at it" on Wednesday. Year-end inventories are a consideration with buyers and some have ordered enough to carry them into 2002. Cheese supplies are more than adequate to meet current needs. Retail sales are slowing, but still fairly good. Food service orders are quite good as dining out for New Years is going to keep restaurants very busy over the long weekend.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.3125-1.7825
Cheddar Single Daisies	:	1.2700-1.7300
Cheddar 40# Block	:	1.4100-1.5900
Process 5# Loaf	:	1.4775-1.6400
Process 5# Sliced	:	1.4975-1.7550
Muenster	:	1.4725-1.6800
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

## MIDWEST

The cheese market is steady, though with a growing unsettled to weak undertone. Most packagers and processors are operating on holiday reduced schedules this week and next, reducing bulk cheese needs. With bulk and finished product delivery schedules also interrupted during the holidays, inventories at many production plants are increasing. Many firms are also trying to minimize inventory for yearend accounting consideration. Spot activity is generally light as buyers covered anticipated needs before the holidays. Most current sales are for January delivery. Most retailers will wait for yearend holiday sales results before rebuilding supplies in 2002. Manufacturing milk supplies are readily available to plant operators from bottling channels with their institutional sales slowed until schools reopen in January.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.5325-1.7100
Brick And/Or Muenster 5#	:	1.6900-1.8300
Cheddar 40# Block	:	1.6500-2.1150
Monterey Jack 10#	:	1.8625-2.1150
Blue 5#	:	2.0200-2.3500
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6100-2.2150
Grade A Swiss Cuts 6 - 9#	:	1.9675-2.6900

## MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),  
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	DECEMBER 24 - 28, 2001
BARRELS*	:	\$1.2775 - 1.2850 (NOMINAL)
	:	(\$ .0275) (.0100)
40# BLOCKS	:	\$1.2800 - 1.3400 (NOMINAL)
	:	(\$ .0350) (.0750)

( ) Change from previous week. \* If steel, barrel returned.

## WEST

Cheese prices have moved sharply higher after a few weeks of up and down movement. Contacts continue to be somewhat surprised at the amount of price strength this late in the year. Sales activity did remain very good up until the holiday week when the normal seasonal slowdown did occur. Cheese production is relatively heavy, but a number of plants would like to have some additional supplies for processing. Cold storage stocks of American cheese at the end of November total 439.2 million pounds, down 15.9% from last year at this time. This decrease from last year works out to about 83 million pounds. Stocks were also down 5.2% from the revised October figure. Swiss stocks totaled 10.6 million pounds, down 24.6% from last year or 3.5 million pounds.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.4225-1.6825
Cheddar 40# Block	:	1.3875-1.5275
Cheddar 10# Cuts	:	1.5675-1.7875
Monterey Jack 10#	:	1.5775-1.7375
Grade A Swiss Cuts 6 - 9#	:	2.3600-2.5300

## FOREIGN

Prices for domestic styles are moderately higher as the cheddar prices at the CME moved quite a bit higher last week. Demand for imported and/or foreign type cheese is near its annual peak, but starting to slow as most holiday orders have been shipped. Distributors will be quite active during the holiday-shortened week. Supplies are about adequate for current needs.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	TFEWR	-0-
Blue	2.6400-3.1400	1.6150-3.1100*
Gorgonzola	3.2400-5.9400	2.1150-2.4900*
Parmesan (Italy)	TFEWR	3.0325-3.0850*
Romano (Italy)	2.1000-2.9900	-0-
Provolone (Italy)	3.4400-5.5000	1.6225-1.8425*
Sardo Romano (Argentina)	2.6500-3.2900	-0-
Reggianito (Argentina)	2.6500-3.2900	-0-
Jarlsberg-(Brand)	2.7500-3.5900	-0-
Swiss Cuts Switzerland	-0-	2.3500-2.5500
Swiss Cuts Finnish	2.5900-2.8500	-0-
Swiss Cuts Austrian	2.2500-2.7500	-0-
Edam		
2 Pound	TFEWR	-0-
4 Pound	2.1900-2.9500	-0-
Gouda, Large	2.3900-2.6800	-0-
Gouda, Baby (\$/Dozen)		
10 Ounce	27.8000-31.7000	-0-

\* = Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

BUTTER : CHEESE

	:	
12/24/01	11,469	115,356
12/01/01	12,037	119,471
CHANGE	-568	-4,115
% CHANGE	-5	-3

## FLUID MILK AND CREAM

## E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	86	23	0	0	0
SOUTHEAST STATES	0	0	0	0	0	0

The base price for Class I milk for January 2002 is \$11.96 per cwt., down \$0.02 from December. Class I differentials specific to each order are added to the base price to determine the Class I price. The Class II skim milk price for January is \$7.74, down eleven cents from December. Milk production is steady in most parts of the region, but it is showing signs of increasing in the southern-most states. Fluid milk supplies are heavy and manufacturing plants are operating at or very near capacity levels. Contacts noted that this was the worst milk-handling holiday in the last 3-5 years, but the Tuesday holiday may have had more to do with that than the milk volumes. Some plant contacts noted that were swamped with milk, but able to work through the volumes. However, some operations still have trucks "in the yard" waiting to be unloaded. Some of these "horizontal silos" were still be waiting to unloaded at midweek. Bottled milk sales are sluggish and the school pipelines won't start being refilled until this coming weekend. This week, Florida handlers shipped 80+ loads out of state for processing. A Christmas-weekend snowstorm dumped more than two feet of snow on parts of New York and farm pick-ups and over-the-road transportation were disrupted in the affected areas. The condensed skim market tone and prices are unchanged. Demand for wet solids is slower which is forcing more skim through local dryers. The fluid cream market remains weak and supplies are excessive. Atypically, cream prices moved higher during the week of Christmas. This is keeping some Class II buyers away from the spot market until prices reach what they feel is a more attractive level. Demand is slow to fair as many users have reduced operating schedules during the holidays. Ice cream output is seasonally slow, but should get back "up to speed" the second week of January. Bottled cream packaging is slower as orders have, for the most part, been filled. Egg nog production is slowing along seasonal patterns now that most orders have been shipped. Churning activity was heavy at those Eastern operations that are able to make butter. Excess cream volumes are heavy and quite a few loads are clearing to Midwestern outlets. Most sales to butter makers occurred at prices well below the Class II range and most prices are based on the CME price, date of delivery.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.6296-1.7610
DELIVERED EQUIVALENT ATLANTA	-	1.6033-1.7741 M 1.6428-1.6822
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.5770-1.8267

## PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- 1.0000-1.0800
NORTHEAST- CLASS III - SPOT PRICES	- .9800-1.0600

## M I D W E S T

Class I demand is down from pre-holiday levels. Many bottlers were closed for an extra day or two for the holiday and often operated on a lighter schedule in general. With schools and universities closed until some time in January, institutional Class I needs are more limited. Class I interest had been mostly good through Friday last week (12/21). Bottlers that had been looking for a few supplemental loads last week were trying to clear surplus supplies this week. Manufacturing milk offerings were heavier, especially around the holiday and reported prices paid are sharply lower. Holiday milk prices ranged from mostly "change" above class for some supplies booked well ahead of the holidays to \$.50 to \$2.00 under class delivered for holiday sales. Clearing milk

on the 25th was generally the worst time to be trying to move a load. Milk supplies are still backlogged at manufacturing plants and will probably remain so until early in 2002. Manufacturing schedules are seasonally active. Cream interest is light and prices reported are nominal, as much of the extra volumes are being directed toward the churn. A number of cream users, particularly ice cream operations, remain closed until some time in January. Oft times, cream prices are negotiated as based on a future date due to the larger volumes available in a "buyers market." Milk intakes are little changed from recent weeks. Colder, more seasonal temperatures and light snow covered larger areas. Temperatures have gone from generally well above normal through most of the fall to below normal. Snowfall was much higher in the traditional "snow belts" around the Great Lakes. Frost is found in the ground, making manure hauling and other outside activities less treacherous.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	DEC 20 - 26	PREVIOUS YEAR
SLAUGHTER COWS	\$ 34.00- 39.00	\$ 38.00- 43.00
REPLACEMENT HEIFER CALVES	\$400.00-500.00	\$175.00-290.00

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	DEC 20 - 26	PREVIOUS YEAR
SLAUGHTER COWS	\$ 36.00- 44.75	\$ 36.00- 47.50

## W E S T

Milk production levels are holding mostly steady with recent weeks in the Southwest. Processing plants were able to handle any surplus milk over the extended holiday weekend. No problems were reported at plants and milk was handled as expected. The only factor causing problems was that many plants were not processing, but only taking in milk on Christmas Day. This caused plants to be "fuller" than they would have been otherwise. Weather conditions were dryer in southern California with comments noted about beautiful weather. Dairy lots are returning to better conditions. Rains were sporadic in more Northern California, but not at levels to affect the milking herds. New Mexico milk output remains consistent at levels above last year. Winter weather conditions are bringing cooler temperatures across the state. Milk volumes were heavy over the holiday, but were handled locally. Arizona milk production is mostly steady. Temperatures are seasonal and dry, which is helping cows recover from recent wet conditions. Western cream multiples were not fully reported due to the holiday shortened reporting week and the lack of industry confirmation. Limited information indicated there were some loads being discounted but holding in the nominal range of 110 to 125, FOB. More cream was said to be entering churns. Some Pacific Northwest manufacturing plants were operating at full production schedules over the Christmas holiday weekend in order to process all the available surplus milk. They wonder how the announcement in mid-December by an over-order agency concerning charges for milk for bottling might impact them over the New Years holiday weekend. Some feel that it is possible that they might be asked to process quite a bit of additional milk supplies. Weather conditions are not having much impact on the seasonal milk flow at this time. The rate of feed consumption seems to be higher than anticipated because of some additional stress caused by the wet and cold conditions. Temperatures are much colder than normal in northern Utah and Southern Idaho. There is snow cover over most of the dairy regions. These factors are beginning to impact milk production at some locations. Some contacts have noted that those housing structures that are open sided and have no curtains to drop are piling big bales around the edges to block some wind. Levels of hay consumption are increasing as the animals attempt to maintain their body heat. This does not lead to added milk production. Fat and protein tests are better than expected at some locations. Growth is expected to continue in the region, but heifer availability may be a limiting factor to additional growth.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 12/27/01 and represent FOB Central and Western production areas. Prices represent CL/TL quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL**

Prices are unchanged and nominal on a mostly steady market. Holiday milk is being diverted into some NDM plants and thereby increasing production. Output is mostly low heat yet some facilities are gearing up for more high heat production in order to satisfy contractual shipments for January. So far, NDM production is less than anticipated for this time of the year. Talk of a tilt change in 2002 remains an issue with the trade. During 2001, adjustments to the support price occurred twice, on January 16th (\$1.0100 to \$1.0032) and on May 31st (\$1.0032 to \$0.9000) with the latter reflecting the only tilt change for the year. Demand is light to fair with most movement noted on contractual commitments. NOTE: As announced, starting next week, Central and Eastern NDM reports will be combined. For details, see page 12 of report 49.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: .9450 - .9700 MOSTLY: .9450 - .9700

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged to lower on a weak market. Production is increasing as holiday milk is diverted into churns. While some locations remain in good balance, others are building stocks and finding it difficult to market buttermilk at the current market. Most offering prices are between 0.9700 - 1.0000. Interest is best from brokers and some ice cream facilities. However, trading activity is generally slow, especially with many buyers taking holiday vacation and working to keep inventories low before the year end. Movement is anticipated to increase in the new year as prices move in line with higher production schedules.

BUTTERMILK: .9700 - 1.1000

**DRY WHEY - CENTRAL**

Prices are generally unchanged. Trading activity is very light as holiday work schedules deter interest. Production is mixed. While some plants shut down for the holiday, others note an increase in condensed whey intake in light of heavier milk movement into cheese vats. Contractual movement is steady. Export interest is nominal with some resistance noted at the current market price. Both buyers and sellers are skeptical of market trends in 2002 yet the undertone is suggestive of prices held in 1998.

NONHYGROSCOPIC: .2950 - .3075 MOSTLY: .2950 - .3000

**ANIMAL FEED WHEY - CENTRAL**

Prices are unchanged on a steady market. Milk replacer supplies are light for the fair demand. Roller ground production is steady with most movement occurring on a contractual basis. Delactose supplies are short of buyer interest with most product well contracted for 2002. Some concern is being expressed by producers as WPC prices trend lower. However, delactose prices at present appear unaffected by WPC trends. November veal production totaled 16 million pounds, a new record low for November and 10% below November a year ago. Calf slaughter totaled 87,000 head, down 6% from November 2000. Pork production totaled 1.73 billion pounds, a new record high for November and up 1% from the previous year. Hog kill totaled 8.72 million head, slightly below November 2000.

MILK REPLACER: .2600 - .2800  
 ROLLER GROUND: .2825 - .2950  
 DELACTOSE (Min. 20% protein): .4150 - .4300

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged on a firm market. While many contracts for the first quarter are complete some negotiations continue, especially into areas of Asia. Trading is light with many contacts unavailable during the holiday week. Production is mostly steady with stocks in balance to short of buyer interest. Supplies appear equally tight in the EU, allowing buyers limited options in purchasing additional supplies. Speculation for 2002 is mainly dependent on the construction of a number of new facilities expected to come on line during the year. Interest persists from some candy and feed operations. Feed buyers are willing to take off grade product when available. Permeate, a competitive substitute for lactose, remains in tight supply for the good interest.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .2000 - .2675 MOSTLY: .2050 - .2300

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are unchanged to lower on a weak market. Some manufacturers are discounting to alleviate heavy supplies before the year end. Buyer interest is mixed. Some resistance is being noted by feed buyers as prices are anticipated to fall lower. However, given that the government sold only 7.3% of the total 3,957,278 pounds of NDM offered in December, some feed buyers are concerned as to what the intentions of the sell back are and whether product will be consistently available, especially since contractual negotiations were partly based on this premise. The edible market is less affected by the CCC sell back with brand specific purchases noted at premiums and regular contracts firmed for 2002. Some export movement is being noted for the fair interest at a discount. New Zealand 80% WPC is competitive with US supplies into Asia. Off grade supplies are readily available and often trading at prices within the range.

EXTRA GRADE 34% PROTEIN: .6100 - .7200 MOSTLY: .6500 - .7200

**NONFAT DRY MILK - WEST**

Western low/medium nonfat dry milk prices showed minimal changes in a lightly traded week. The market tone remains weak and unsettled. The possibility of a support price tilt lowering the NDM price remains a marketing factor. There are more producers expecting to bag and offer NDM to the support program due to increased production and diminished sales. Stocks remain in excess of needs. During the week of December 17 - 21, CCC adjusted purchases totaled 7,135,571 pounds of Western NDM under the price support program. Pricing and market activity changes were limited for high heat NDM over the holiday-shortened week. Sales were noted as very slow. Production was limited as throughput was a concern at production facilities.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .8950 - 1.0225 MOSTLY: .9000 - .9375  
 HIGH HEAT: .9550 - 1.0200

**DRY BUTTERMILK - WEST**

Prices are lower on the top end of the range. Market activity slowed dramatically over the holidays. Buyers are limiting purchases over the next few weeks to minimize inventories. Production is often higher and expected to continue until the first part of the new year. Stock levels are light to moderate.

BUTTERMILK: 1.0300 - 1.0650 MOSTLY: 1.0300 - 1.0400

**DRY WHEY - WEST**

Prices continue to weaken for Western whey powder. Inventories at the producer level are becoming more of a concern at more locations. Some of the buildup is being caused by end of the year holiday issues, but the light export demand seems to be the main issue. There are some reports of powder being offered below the bottom end of the range, but no sales are occurring at least partially because of the holiday season. Production levels at some plants are higher because they are processing additional loads of milk. This trend is anticipated to continue into the New Years holiday also.

NONHYGROSCOPIC: .2400 - .2825 MOSTLY: .2500 - .2650

**CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK**

Information was not available at the time of report release.

**NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS**

All reports represent carlot/trucklot quantities for domestic and export sales in 25 kg. or 50 lb. bags, and totes, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

**NONFAT DRY MILK - NORTHEAST AND SOUTHEAST**

Prices are steady and the market tone is unchanged to weaker. Eastern prices remain nominal. The possibility of a tilt change continues to hang over the market and buyers are hesitant to buy too far ahead. Production levels are up sharply at all Eastern drying facilities. This year's holiday surplus milk volumes are reported to be the heaviest in 3-4 years and plants have loaded trucks parked in their "yards" waiting to be unloaded. Powder inventories are growing, but are still relatively light in the East. One operation is packing in G-bags should the need to sell to CCC arise. Demand is slow to fair. Contract volumes are clearing nicely, but spot sales are slow. Year-end stock considerations are also playing a role in current orders. NOTE: As announced, starting next week, the Central and Eastern NDM reports will be combined. For details, see page 12 of report 49.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: .9525 - .9900 MOSTLY: .9575 - .9700

HIGH HEAT: .9800 - 1.0100 MOSTLY: .9850 - 1.0100

DELVD SOUTHEAST:

ALL HEATS: .9400 - 1.0200

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices are steady to lower and the market tone is unchanged. Eastern prices remain nominal. Production levels are increasing as churning activity is heavy. However, the heavy volumes of surplus milk coming into butter/powder plants are limiting the time for drying buttermilk. Producer stocks are steady to a little heavier. Demand is slow to fair and most spot buyers are waiting until after the January 1 to take delivery on any new orders.

F.O.B. NORTHEAST: 1.0000 - 1.0500

DELVD SOUTHEAST: 1.0300 - 1.0800

**DRY WHOLE MILK - NATIONAL**

Prices are steady to lower and nominal. Production levels are often lighter as those plants that make dry whole milk and busy making NDM as a way to more quickly process the surplus milk during the holiday season. Demand remains slow and mostly contractual. Plant inventories are closely balanced.

F.O.B. PRODUCING PLANT: 1.1500 - 1.2700

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 2001 THROUGH DECEMBER 21, 2001  
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 21,464 MT (47,319,534 LBS)  
CHANGE -- 6,056 MT (13,351,057 LBS)

CHEESE -- 3,030 MT (6,679,938 LBS)

This program-year allocation is filled.

Allocations for the DEIP year beginning July 1, 2001: Nonfat dry milk -- 68,201 MT; Cheese -- 3,030 MT; Butterfat -- 21,097 MT.

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices and the market tone are unchanged and Eastern prices remain nominal. Production levels are steady to slightly heavier. Surplus milk supplies are heavier than they have been for several holiday seasons and some cheese plants have been able to take more milk. Conversely, other plants have limited the purchases of additional milk and are maintaining steady production schedules. Dry whey supplies remain tight in the East. Most producers are sold out and are still trying to get caught up. Demand is mixed, mostly fair. Producers are clearing almost everything they make via contracts. Spot interest is improved in the resale market as users are placing orders, albeit for immediate needs, for delivery in January.

F.O.B. NORTHEAST: EXTRA GRADE .2925 - .3025

USPH GRADE A .3000 - .3125

DELVD SOUTHEAST: .3175 - .3325

**EVAPORATED MILK - NATIONAL**

Prices and the market tone are steady. Production levels are increasing as more surplus milk is now available in most regions of the country. Demand is slow and producers are starting to replenish their stocks.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$19.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

**CASEIN - NATIONAL**

Casein markets are weak, although prices are holding steady through the final days of the quarter. Producers, handlers, and buyers are indicating that first quarter 2002 prices will be lower. Stocks of powder are reported to be sufficient for current needs with rennet less available than acid. Many domestic buyers indicate that they are very curious about the outcome of field tests of government owned nonfat dry milk powder that was sold back to the trade to be converted into casein/caseinate. The government sold 1,221,119 pounds of nonfat at the field test rate of \$0.10 per pound.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.4000 - 2.7300

ACID: 2.4500 - 2.6500

## MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

All stocks in thousand pounds except where otherwise indicated

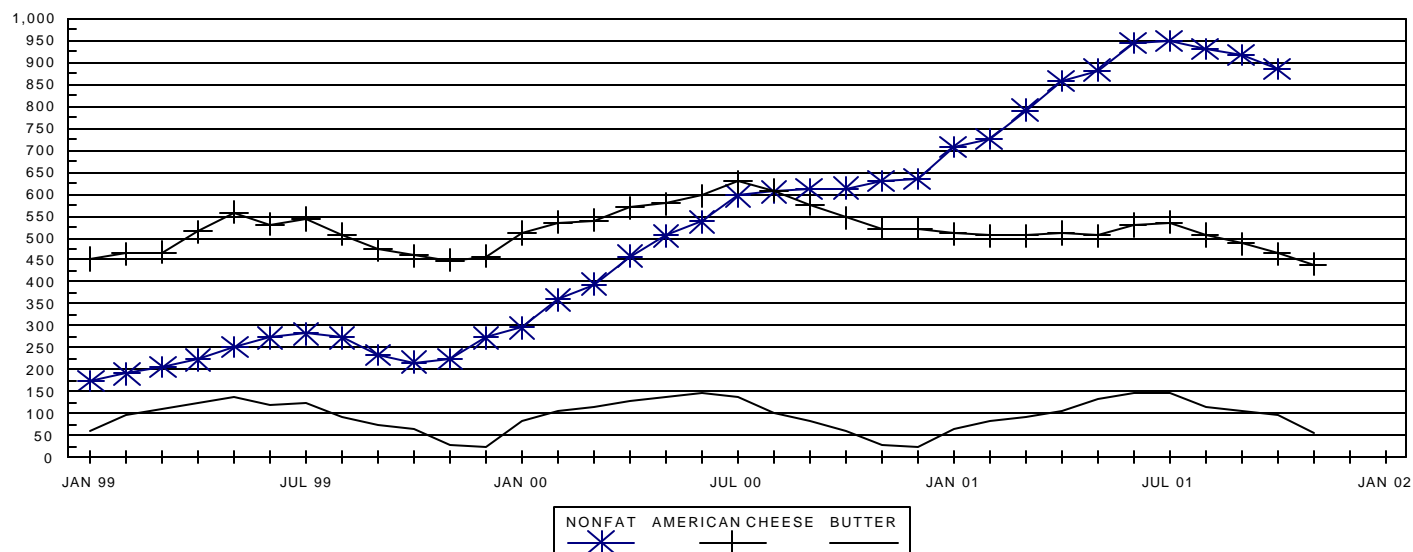
U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	OCT 31, 1999	OCT 31, 2000	REVISED OCT 31, 2001	NOV 30, 1999	NOV 30, 2000	NOV 30, 2001
Butter	64,226	58,326	95,791	30,184	27,280	53,634
Cheese, Natural American	459,404	546,708	463,378	448,250	522,534	439,228
Cheese, Swiss	9,372	15,777	10,671	9,075	14,080	10,615
Cheese, Other Natural	153,233	169,492	198,185	134,397	159,365	189,493
U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS						
Butter	391	330	344	313	188	341
Natural American Cheese	67	711	911	24	706	207

NOVEMBER COLD STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
New England	20,241	18,761	20,089	---	---	---	519	447	553
Middle Atlantic	40,920	45,568	56,541	---	---	---	6,684	8,863	32,595
East North Central	218,856	252,484	167,679	---	---	---	77,357	71,594	88,654
West North Central	99,162	95,969	92,776	---	---	---	39,926	57,491	51,998
South Atlantic	376	5,494	3,991	---	---	---	1,650	600	246
East South Central	0	0	278	---	---	---	146	147	144
West South Central	835	348	2,363	---	---	---	144	682	219
Mountain	11,975	13,012	11,888	---	---	---	349	6,560	5,685
Pacific	55,885	90,898	83,623	---	---	---	7,622	12,981	9,399
TOTAL	448,250	522,534	439,228	30,184	27,280	53,634	134,397	159,365	189,493

\*Regional breakdowns are not reported to avoid possible disclosure of individual operations.

COLD STORAGE HOLDINGS  
COMBINED GOVERNMENT AND COMMERCIAL

Million Pounds



## COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2000 TO DATE

Month	Butter						Natural American Cheese						Nonfat Dry Milk					
	Total <u>1/</u>		Commercial		Government		Total <u>1/</u>		Commercial		Government		Total <u>1/ 2/</u>		Commercial		Government <u>2/</u>	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
	Million Pounds						Million Pounds						Million Pounds					
January	64	82	63	82	<u>3/</u>	<u>3/</u>	510	512	508	512	2	<u>3/</u>	708	296	145	146	563	150
February	81	108	81	107	<u>3/</u>	<u>3/</u>	505	536	503	536	2	<u>3/</u>	726	359	138	173	589	186
March	90	114	90	114	1	<u>3/</u>	505	541	503	541	2	<u>3/</u>	791	395	123	168	668	227
April	108	127	107	127	1	<u>3/</u>	511	570	509	570	2	<u>3/</u>	858	458	127	197	731	260
May	132	138	132	138	1	<u>3/</u>	506	578	504	578	2	<u>3/</u>	882	506	134	197	747	309
June	148	146	147	145	1	<u>3/</u>	530	597	528	597	2	<u>3/</u>	945	537	166	171	779	366
July	145	137	145	137	1	<u>3/</u>	536	628	534	628	2	<u>3/</u>	950	596	147	190	803	406
August	113	101	112	101	1	<u>3/</u>	507	610	505	609	2	<u>3/</u>	930	606	109	152	821	454
September	106	85	106	85	<u>3/</u>	<u>3/</u>	488	577	486	576	1	1	918	611	103	130	815	481
October	96	58	95	58	<u>3/</u>	<u>3/</u>	463	547	462	546	1	1	886	614	101	121	785	493
November	54	27	53	27	<u>3/</u>	<u>3/</u>	439	523	439	522	<u>3/</u>	1		631		110		521
December		24		24	<u>3/</u>	<u>3/</u>		523		521		1		635		119		516

NA = Not available. 1/ Total may not add due to rounding. 2/ Includes instant nonfat dry milk. 3/ Less than 500,000 lbs.

COMMERCIALY OWNED COLD STORAGE HOLDINGS FOR THE UNITED STATES 1/

Commodity	Oct 31, 1999	Oct 31, 2000	Oct 31, 2001	Nov 30, 1999	Nov 30, 2000	Nov 30, 2001
	Thousand Pounds					
Butter	63,835	57,996	95,447	29,871	27,092	53,293
Natural American Cheese	459,337	545,997	462,467	448,226	521,828	439,021

1/ Total holdings minus Government owned holdings. For more information, see page 7 of this report.

**SOURCE:** "Cold Storage," Co St 1 (12-01) and "Dairy Products," Da 2-6 (12-01), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Farm Service Agency.



## FEDERAL MILK ORDER ADVANCE PRICES, JANUARY

**Class I Base Price** -- Under the Federal milk order pricing system, the Class I base price for January 2002 is \$11.96 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$7.34 and the advanced butterfat pricing factor of \$1.3939. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. **Class II Price Information** -- The advanced Class IV skim milk pricing factor is \$7.04. Thus, the Class II skim milk price for January is \$7.74 per cwt., and the Class II nonfat solids price is \$0.8600. **Product Price Averages** -- The two-week product price averages for January are; butter \$1.2580, nonfat dry milk \$0.9222, cheese \$1.2895, and dry whey \$0.2902.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION 1/ 2/				
Federal Milk Order Marketing Area 3/	Order Number	January 2002		
		Class I Price (3.5 %)	Class I Skim Milk Price	Class I Butterfat Price
		\$ per cwt.	\$ per cwt.	\$ per pound
Northeast (Boston) 4/	001	15.21	10.59	1.4264
Appalachian (Charlotte) 5/	005	15.06	10.44	1.4249
Southeast (Atlanta) 6/	007	15.06	10.44	1.4249
Florida (Tampa) 7/	006	15.96	11.34	1.4339
Midwest (Cleveland) 8/	033	13.96	9.34	1.4139
Upper Midwest (Chicago) 9/	030	13.76	9.14	1.4119
Central (Kansas City) 10/	032	13.96	9.34	1.4139
Southwest (Dallas) 11/	126	14.96	10.34	1.4239
Arizona-Las Vegas (Phoenix) 12/	131	14.31	9.69	1.4174
Western (Salt Lake City) 13/	135	13.86	9.24	1.4129
Pacific Northwest (Seattle) 14/	124	13.86	9.24	1.4129
All-Market Average		14.54	9.92	1.4197

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. 2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. 3/ Names in parentheses are the major city in the principal pricing point of the markets. 4/ Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25. 5/ Class I prices at other cities are: Knoxville, minus \$0.30 and Louisville, minus \$0.90. 6/ Class I prices at other cities are: New Orleans; plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90. 7/ Class I prices at other cities are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30. 8/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20. 9/ Class I prices at other cities are: Milwaukee, minus 0.05; and Minneapolis, minus, \$0.10. 10/ Class I prices at other cities are: Des Moines, minus 0.20; Omaha, minus 0.15; Oklahoma City, plus 0.60; St. Louis, same; and Denver plus \$0.55. 11/ Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75. 12/ Class I price at Las Vegas is minus \$0.35. 13/ Class I price at Boise is minus \$0.30. 14/ Class I prices at other cities are: Portland, same; and Spokane, same.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF DECEMBER 24 - 28, 2001			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/01	SAME PERIOD LAST YEAR	WEEK ENDING 12/21/01	SAME PERIOD LAST YEAR
<b>BUTTER</b>							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHEESE</b>							
Block	-0-	-0-	-0-	-0-	3,089,468	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	3,530,979	-0-	-0-
Process	-0-	-0-	-0-	-0-	3,168,000	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	9,788,447	-0-	-0-
<b>NONFAT DRY MILK</b>							
Nonfortified	12,115,198	835,076	11,280,122	70,184,715	99,748,296	646,139,000	328,703,000
Fortified	-0-	-0-	-0-	-0-	19,298,195	38,227,000	31,208,000
<b>TOTAL</b>	12,115,198	835,076	11,280,122	70,184,715	119,046,491	684,366,000	359,911,000

# Although an uncommitted inventory of NDM has continued to exist for some time, it has not been reported due to CCC's efforts to utilize all NDM purchased under price support.

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF DECEMBER 24 - 28, 2001 =	2.5	131.3	COMPARABLE PERIOD IN 2000 =	4.4	124.9
CUMULATIVE SINCE OCTOBER 1, 2001 =	15.4	817.0	CUMULATIVE SAME PERIOD LAST YEAR =	116.5	1,482.6
CUMULATIVE JANUARY 1 - DECEMBER 28, 2001 =	88.9	4,087.2	COMPARABLE CALENDAR YEAR 2000 =	277.2	6,661.6

\* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

\*\*Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF DECEMBER 24 - 28, 2001 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	11,280,122	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/01 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01
MIDWEST	-0-	-0-	-0-	5,074,901	-0-	1,557,739	-0-	40.5
WEST	-0-	-0-	-0-	4,673,946	70,184,715	117,488,752	100.0	59.2
EAST	-0-	-0-	-0-	39,600	-0-	-0-	-0-	0.3
<b>TOTAL</b>	-0-	-0-	-0-	9,788,447	70,184,715	119,046,491	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER MAY 31, 2001

**MANUFACTURING MILK** Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

**BUTTER** Bulk \$.8548 per pound; 1# Prints \$.8848

**CHEESE** 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1839; Process Am. 2# \$1.2239

**NONFAT DRY MILK** Nonfortified \$.9000 per pound; Fortified \$.9100; Instant \$1.0575

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 12/01/01 & Comparable Week 2000

Regions* (000 HEAD)	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL		% DAIRY OF ALL	
											WEEK SINCE JAN 1	WEEK SINCE JAN 1		
2001-Dairy	0.2	0.8	6.5	5.1	22.2	2.8	0.7	1.0	13.8	2.8	55.8	2,429.8	45.4	45.5
2000-Dairy	0.2	0.8	7.3	5.4	23.9	3.0	2.2	1.0	12.8	2.9	59.5	2,479.8	47.5	48.4
2001-All cows	0.2	1.0	8.9	14.8	32.8	15.9	18.9	6.1	16.6	7.7	122.9	5,341.5		
2000-All cows	0.2	0.9	9.9	15.6	33.3	16.7	19.6	6.1	15.4	7.6	125.2	5,121.8		

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III (2000) AND BFP (1998-99) MILK PRICES, (3.5% BF, \$/CWT. FOR COMPARISON PURPOSES ONLY)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37

FEDERAL MILK ORDER CLASS PRICES FOR 2001 - 2002 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN 2002
I 1/	13.99	11.94	12.65	13.44	14.21	14.99	15.34	15.40	15.56	15.93	15.76	11.98	11.96
II	12.82	13.43	14.17	15.10	15.72	16.05	15.96	15.98	16.24	13.53	12.78		
III	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90	14.60	11.31		
IV	12.13	12.70	13.46	14.41	15.04	15.33	14.81	15.06	15.59	12.77	11.97		

1/ Specific order differentials to be added to this base price are located at: [www.ams.usda.gov/dairy/mib/class\\_prod\\_milk\\_comp\\_pr.htm](http://www.ams.usda.gov/dairy/mib/class_prod_milk_comp_pr.htm)